



*Office of the United States Attorney
District of Arizona*

FOR IMMEDIATE RELEASE
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PHOENIX METRO TAX RETURN PREPARER PLEADS GUILTY TO PREPARING FALSE RETURN

PHOENIX - Rosario M. Hernandez, 43, of Phoenix, pleaded guilty on Friday afternoon, October 26, 2007 to Aiding and Assisting in the Presentation of a False and Fraudulent Individual Income Tax Return.

Hernandez was indicted and arrested in March 2007. In her guilty plea, Hernandez acknowledged that in 2003 and 2004 she operated Rosario's Tax and Notary Service in and around Phoenix. She prepared returns herself and also directed her employees in the preparation of returns. When she prepared returns herself she sometimes used her true name; on other occasions she used the name of her deceased daughter, Zania Guzman. In her plea agreement, Hernandez admitted to a tax loss to the Internal Revenue Service of \$106,048 caused by false deductions and expenses in 31 individual income tax returns prepared by her during the time period of the indictment.

Hernandez stated in her plea agreement that she knowingly falsified returns to help taxpayers get larger refunds. Her plea agreement describes one particular tax return prepared in February 2004 in which Hernandez claimed medical and dental expenses as a deduction even though the taxpayer did not tell Hernandez she had medical expenses. Hernandez claimed a charitable contribution for the taxpayer based on money sent to family members in Mexico, even though Hernandez knew that this was not a proper deduction. Hernandez also inflated the amount of business expenses incurred by the taxpayer, claimed a false loss amount for a business and falsified a student tuition expense even though the taxpayer had no tuition expenses. Hernandez knew that these false deductions and expenses would result in a higher tax refund for the taxpayer.

Sentencing is set before Judge Roslyn O. Silver on January 7, 2008. A conviction for Aiding and Assisting in the Presentation of a False and Fraudulent Income Tax Return carries a maximum sentence of three years in prison, a \$250,000 fine or both. In determining an actual sentence, the assigned district judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

The investigation in this case was conducted Special Agents of the Internal Revenue Service, Criminal Investigation Division. The prosecution is being handled by Gary M. Restaino, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-07-336-PHX-ROS
RELEASE NUMBER: 2007-225(Hernandez)

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